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AUTHOR	Falk, Ian; Kilpatrick, Sue
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ABSTRACT

A case study in a rural Australian township sought to determine the nature of the interactive productivity between the local networks in a community. Participants were chosen based on recommendations of community members concerning to whom they turn for help, advice, or information. Community interactivity was recorded using interviews, tape-recorded community meetings and interactions, and personal diaries. Findings indicate that informal learning is an important factor in the formation of social capital and that there are two categories of resources upon which people draw as they interact with each other. The first is knowledge resources, which comprise the common knowledge base of community, personal, individual, and collective information. These include knowledge of the skills, knowledge, and affective attributes of other community members, and knowledge of the common physical resources of the community. The second is identity resources, which are the common understandings of personal, individual, and collective identities, categorized as social and civic identities. Formation of social capital depends on sufficient numbers of interactions in which members foster each others' learning by sharing knowledge resources, build each others' self-confidence or encourage positive identity shifts in each other, and exhibit trust. It was also found that microinteractive processes have the capacity to link with meso and macro social, civic, and economic outcomes. (Contains 64 references.) (TD)

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WHAT *IS* SOCIAL CAPITAL? A STUDY OF INTERACTION IN A RURAL COMMUNITY

Ian Falk & Sue Kilpatrick

Centre for Research and Learning in Regional Australia
Faculty of Education
University of Tasmania
PO Box 1214
Launceston, Tasmania 7250
Australia
Phone: (03) 6324 3018
Fax: (03) 6324 3040
Email: Ian.Falk@utas.edu.au
http://www.crlra.utas.edu.au

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Abstract

What is social capital? In answering this question, the paper reports on new research which differentiates between the social interactive processes and social capital as the product of that process. Following a review of literature, structured as a social theory against which social capital might be understood, the paper then describes a study of a rural community, and reports on two analyses of data which contribute to answering the question, 'What is the nature of the interactive productivity between the local networks in a community?' The paper concludes that social capital, for which a new definition is forwarded, can only 'exist' if it is somehow able to be produced. This is the chief assumption of the paper. Social capital is a defined as an accumulation of the knowledge and identity resources drawn on by communities-of-common-purpose. If social capital originates in micro interactions which are in turn embedded in a macro social order, then these processes and connections should be observable. This paper makes an initial contribution to the establishment of such micro to macro links.

Key Words: social interaction, social theory, social capital, trust, learning, social change, social, civic and economic well-being, ethnomethodology, conversation analysis

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Introduction

'Social capital' has emerged as a much-discussed and critiqued topic in government, bureaucratic and academic circles (Edwards and Foley 1997; Portes 1998:3). What *is* the elusive concept of social capital? How can it be described and even measured? Given the possibility of its identification, can it be purposefully built, accumulated and depleted? Does and can it contribute to deliberate social change? These questions are being systematically addressed by the research program focused on rural concerns at the Centre for Research and Learning in Regional Australia, and this paper contributes to the emerging discussion a sample of these research results and developing perspectives.

Beginning with a broad understanding of social capital from Woolcock (1998:155), as 'encompassing the norms and networks facilitating collective action for mutual benefit', the paper provides background information and literature associated with some aspects of social capital and its potential for being harnessed in pursuit of deliberative yet benign social change. The paper then describes a study of one community, and reports the results of two phases of analyses of interview transcript data from that study.

Portes (1998:7) observes that, 'Whereas economic capital is in people's bank accounts and human capital is inside their heads, social capital inheres in the structure of their relationships'. The research reported here has as its focus the structure and outcomes of social relationships. As the data are reported, connections are made between micro level social interactions and their potential role as agents of change (and therefore, it will be argued, as part of the process of learning) in communities and societies. Explicit connections are made between these micro interactions, based on the compatible principles and practices of ethnomethodology, and a broad meso and macro social theory informed by a critical theoretical perspective. The combination of micro, meso and macro perspectives facilitates connections between the empirical data and a broader social meaning. It also allows a synthesized discussion about the interpretations of the nature of the micro processes that might produce, or build, social capital and the possible nature of social capital itself. The paper poses a new definition of social capital, poses four conclusions, and raises some questions and issues emerging from the research so far.

Background

The existence and nature of social capital has been debated for many decades. It is noted in pre-Keynsian economic texts (e.g., Silverman 1935). O'Connor (1973) recognises the primary status of social capital in the development of economic outcomes. From the sociological perspective, Bourdieu identifies and describes a number of different kinds of capital: cultural, economic, functional, linguistic, personal, political, professional, social and symbolic (1991:230-251). He focuses in some detail on social capital in his 1983 paper called *Economic capital, cultural capital, social capital.* Coleman's sociological work on social capital (1988; 1990) is part of a social theory which merges micro and macro levels of concern yet does not show how these

levels might connect empirically, a problem he also notes. Putnam (1993) presents a methodologically rigorous longitudinal interpretation of the relationship between differing civic traditions and democratic effectiveness in Italy.

Trust emerges in Putnam's work as an important dimension of social capital. Trust is variously described as the critical component of any social cohesion. Coleman (1990:175ff) provides a way of viewing trust as comprising the three components of a developing system of action: mutual trust, intermediaries in trust and third-party trust. Coleman's macro analyses draw on macro-level examples to illustrate these forms of trust. Fukuyama develops a broad social analysis based on a view of trust as 'the expectation that arises within a community of regular, honest, and cooperative behaviour, based on commonly shared norms.' (1995:27). Kramer et al describe four categories of trust: reciprocity-based, elicitive, compensatory and moralistic (1996:373-376).

The conceptual and analytic bases for the existing research on trust, of which the sources above are a few, are extremely variable and incomplete. They either assume trust as a by-product of macro social interactions, or they 'prove' its importance through citing illustrative examples and instances. The all-pervasive nature of trust assumes the dimensions of a generality of such proportions that it becomes useless for theoretical or analytic purposes. The research reported here makes an attempt to address these omissions by providing a social theory that links micro interactive instances of trust to the meso and macro social order through ethnomethodology and its derived conversation analysis.

There is a strand of literature which recognises that social capital has a role in contributing to the production of desired socio-economic outcomes (described in some detail in Woolcock 1998), yet it is not measured by traditional economic or social measures. Some other contemporary publications include Flora et al (1996); Narayan and Pritchett (1996); Offe (1998) and Teachman et al. (1997). However, in order to make use of social capital in the production of desired socio-economic outcomes, the theoretical frame should also account for the processes which produce social capital. A feature of the theory on which the discussion here is based, is the connections being made between social capital and micro social interactions which are conceived as learning. This is in line with existing research which variously makes connections between social cohesion, civic and economic well-being and the social processes which contribute to such beneficial outcomes (Falk and Harrison 1998a; Kilpatrick et al. 1999 forthcoming; Flora et al. 1996; Young 1995).

Any notion of learning presupposes interactions between the social actors themselves and the contextual tools they employ. Desired social and economic outcomes are achieved through interaction between social, economic, physical and environmental conditions, a point affirmed through the 'embeddedness' of Granovetter (1985). The interaction of these conditions results in a set of interdependent interactive fields and systems referred to as sociopolitical ecology by Bates (1997:90). Learning processes can include interactions between a person and a book or computer, between individuals and various levels and kinds of interactions, between the other elements of the learning

process, be these animate or inanimate. The integration of animate with inanimate is another important feature of the theoretical perspective outlined in this paper.

It would be a mistake, however, to assume that to produce desirable social, civic and economic outcomes, all that is needed is to provide the right ingredients. In fact, it is on this false premise that much of socio-economic policy is presently based. To be sure, the quality and quantity of the prevailing social and economic conditions help, but they are not sufficient by themselves to achieve such outcomes. Human agency, exerted through social interactions, creates the processes of learning and change which produce economic outcomes.

Links from macro to meso and micro, 'what' to 'how'

Based on Bourdieu's (1991) work on 'habitus', Gee's (1996) on 'Discourse', Falk's (e.g., 1997), Habermas's (1972; 1984) and some ethno-methodologically-based concepts and techniques (e.g., Boden 1994; Garfinkel 1967; Heritage 1984; Sacks 1963), a theory about the relationships connecting macro level social analysis to meso and micro structures, such as interactions, is constructed. In outline, broad social themes are captured by discourses (Gee 1990). These discourses can be seen to have echoes in local interactions (Falk 1994, 1997; Gee 1990). Disjunctures between various discourses can be reconciled using the explanatory notion of 'habitus' provided by Bourdieu (1991). Habitus provides a way of explaining how it is that multiple discourses might be reconciled by a social subject. Critical social theory (e.g., Habermas 1972) allows a theorization of the social construction of reality, knowledge and ideology, and of how socio-historical discursive themes may be used to display the power of institutionally inscribed social practices which serve to reproduce the social order. Principles of critical social theory also provide a broad ethical framework for checking the effects of differential roles and power on such social attributes as ethnicity, gender and class.

The 'what' dimension of analysis afforded by the above theoretical components - mapping and documenting meanings, relationships and characteristics - is complemented by a 'how' dimension. Both macro, meso and micro analyses of social systems fail in one important respect: namely, that in developing a framework for explaining and analysing the meanings and characteristics of social structures and interactions (e.g., Bates 1997; Coleman 1990), they fail to provide theoretical links which show *how* the structures and systems are created, change and connect. Neither is the question of values, their nature and influence, addressed adequately in the 'what' dimension of analysis.

In ensuring theoretical consistency across both the 'what' and the 'how' dimension, the work drawn on in this paper has established that the intersection of 'what' theory with 'how' theory offers a means of triangulating the conceptual, theoretical and analytic integrity. That is, a degree of triangulation is provided by the use of different analyses to cross check that the theory which identifies characteristics of the social order is consistent and

connects with theory which shows how the work of generating and reproducing the social order is accomplished. The principles and some of the practices of ethnomethodologically-informed conversation analysis provides the ideal 'how' dimension, with theory about social discourses as the bridge between the two.

Conversation analysis (e.g., Boden 1994; Heritage 1984; Sacks 1963) informed by ethnomethodology (Garfinkel 1967) provides an analytic framework for understanding and examining the micro instances of social interaction which are taken as data, since this form of conversation analysis seeks to disclose or recover embedded cultural phenomena in the language-in-use. That is, the analyses reveal how the members of the community daily and interactively encounter the wider culture. An example lies in the way the research assumes the nature of organisations and institutions is reflexively constructed. The research builds in the interplay between institutions, organisations, groups and individuals through its use of ethnomethodological underpinnings and approach to data and its analysis, as shown so well by Boden (1994).

Knowledge, values and society's moral order are aspects of the culture used as resources in interactive moments, and are enmeshed in conversation, yet recoverable through the analysis of the social practices of conversational structures. Hence the link can be displayed between instances of interaction (as data) and their possible outcomes, of which social capital is supposed to be one. The linking of knowledge and values as co-constructed conversational outcomes is outlined by Jayyusi (1991:241):

> The practices, in which our category concepts are embedded and used, and the knowledge contexts bound up with them, are ones in which description and appraisal, the conceptual, moral, and practical are reflexively and irremediably bound up with, and embedded in, each other. Intelligibility is constituted in practico-moral terms.

The notion of the inseparability and embeddedness of knowledge and values in mundane conversational practices is used in much of the research drawn on in this paper in methodological and analytic respects: in the way the research views the broader sociological concerns of the study to the interrogation of the data, then to the coherence of the findings and implications which may be made about the wider social order.

Do learning processes produce social capital?

This study examines the nature of the changes that occur through interactive processes in a rural community. 'Learning' is suggested in various groups of literature as an appropriate name for the interactive processes that contribute to change. The term 'learning' has a large body of literature associated with it. A group of this psychology and social psychology literature comes from the education sector (e.g., Perkins and Saloman 1994). Another, smaller, group of work on learning comes from the management and organisational learning literature (e.g., Argyris and Schon 1978; Senge 1990). A third group focuses on workplace learning (Lave and Wenger 1991; Gee 1993; Gee, Hull and Lankshear 1996). This paper uses learning in a way most consistent with the

third group of literature to describe the processes whereby people interact with each other and other social texts to lead to changes. These changes may involve knowledge or skills acquisition, or result in a capacity to take on new values and attitudes (Bloom, 1956) which in turn assist the adoption of different roles.

As mentioned, much of the learning literature is concerned with people's acquisition of skills knowledge or roles in various institutional settings such as schools or workplaces. It is possible to distinguish between different contexts and conditions for learning. The terms 'formal learning', 'nonformal learning' or 'informal learning' (Colletta 1996, Hamadache 1993) denote the degree of formal qualifications attached to the learning, except for 'informal learning', so called because it occurs in the course of people's normal daily routine, and is not recognised necessarily by them, their employers or colleagues as 'learning'.

There is a strand of research drawn on here which argues that contemporary knowledge-based economies depends on active and effective learning processes (e.g., Argyris and Schon 1978; Senge 1990; Young 1995) contributing to stores of social capital and so to social well-being (Cox 1995), the common good (Saul 1997) and a civil society (Offe 1998). The World Bank Policy and Research Bulletin summarises learning as 'the acquisition of knowledge and information [which] is critical to economic growth' (1997:2). Learning is the mechanism which has the potential to facilitate development and change of individuals, work, organisations and institutions in response to the need for interaction between economic policies and their social and political context (1997:2). Kilpatrick and Bell (1998) show how a community builds social capital from individual (micro) to group (meso) levels through the learning interactions of its members as the community-of-common-purpose goes about making economically driven changes. Thus, learning, as the possible mechanism for building social capital, is and will be increasingly an important determinant of economic growth (1997:3). These links between learning, change, economic and social well-being, the common good and a civil society, and the social capital resulting from the learning interactions, are important for rural areas, and will now be discussed in more detail.

Assumptions

Three main assumptions underpin the work reported on here. They relate to interactions as sites for building social capital; the process and contextual dimensions of learning interactions; and social capital as a resource that can be stored and drawn on.

The first assumption is that interactions have the potential to result in the accumulation (or building) of stores of social capital. We conceive the interactions which result in changes to the collective well-being as learning interactions. Further, these learning interactions could result in 'good' or 'bad' outcomes for some groups of people, or 'developmental' and 'destructive' as Woolcock (1998:186) describes it, and they could result in different 'types' of social capital with different effects on different groups (Woolcock 1998:185).

So the assumption is that the interactive learning is the *process* which results in the accumulation of social capital as the *outcome* of the process.

The second assumption is that learning interactions will have two dimensions. One is a process dimension - a chronologically defined set of social practices, learning moment or learning event, which provides the social framework within which learning can occur. Another is a contextual dimension, where sense can only be made of the 'learning event' by drawing on the broad, socio-cultural and political frame of reference. Learning always occurs in a particular socio-cultural context. That context will have various features, including the societal and institutional values which prevail at any one time. In short, learning interactions take place in the context of the meso and macro social worlds.

The third assumption is that social capital is a resource, built in learning interactions, which can be stored and drawn on. It can, therefore, be depleted (Coleman 1990:318-321).

Ethnomethodology provides a compatible theoretical and practical link from the local interaction to the question of 'resources' through its devices of Standardised Relational Pairs, Membership Categories and the Membership Categorisation Devices. In simplified terms, the sense that social actors make of the world and the way that they construct and reconstruct it relies on resources drawn on in the course of the everyday, mundane interactions (e.g., Heritage 1984). In the course of micro interactions, social actors draw on categories of meaning formed from the macro social order, providing a conceptual and analytic link between micro and macro. (Micro) interactions draw on resources from the group (meso) and organisational or societal (macro) social order, following from the second assumption. This micro-meso-macro interaction forms the basis of the conceptual, theoretical and empirical foundation for the paper.

In ethnomethodological terms, social life and structures are constructed and re-produced through these interactions, which participants make sense of through drawing on mutually understood categories of resources (intellectual, epistemological, ethical and social). The resulting possible reconciliation of the nature and roles of institutions and organizations supports the need for a re-framed theory of action following Boden (1994:203-208).

In spite of the critique offered by Edwards and Foley (1997:669) about distinguishing between its nature and its function, it is argued here that social capital resources may be detected at the micro level only when they are *used*. The methodological focus therefore must be on the point at which social capital is presumed to be created and displayed, namely in interactions between people. This point of interaction is also one which has the potential to produce change in attitudes, skills, knowledge and behaviour. It is therefore the point at which *learning* may be seen to occur. Consistent with the theoretical view set out earlier, examination of the point of interaction has the potential to develop the 'how' dimension of theory; to show *how* social structures and systems are created, change and connect to meso and macro levels.

Methodology

The purpose of the research is to answer the question, *What is the nature of the interactive productivity between the local networks in a rural community?* In other words, it examines then analyses community interactions to show aspects of the quality of the processes that might build social capital. The research is theory-building, using the principles of grounded theory as in Glaser and Strauss (1967), Lincoln and Guba (1985) and Strauss and Corbin (1990), rather than theory-testing.

The methodology decided on as the most appropriate way of achieving the outcomes is best described as a whole-community case study using ethnographic techniques. Data were collected from a number of participants and from four main sources reported on later in this paper. The data were analysed using (a) detailed conversation analyses drawing on ethnomethodological principles and procedures (e.g., Heritage, 1984; Boden, 1994); (b) manual thematic techniques for content analysis (e.g., Patton, 1990; Wolcott, 1994) with recourse to synthesised theoretical and empirical literature indicated in this paper's earlier sections, as well as (c) use of the NUD*IST software package to identify frequency of mentions and help analyse related themes and trends, (d) linguistic principles (Halliday, 1994; Strauss & Corbin, 1990, p. 153) and (e) indicator development consistent with good principles of grounded theory development, and the principles of conceptual development, dimensions, indicators described by Babbie (1998, pp. 118-124).

While a mix of the five analytic techniques noted in the paragraph above was used in the whole community case study, the development of the social capital component of the larger study, reported on in this paper, draws only on the last four of these techniques. It was a requirement of the research that indicators of the presence and use of social capital must be derived from the data, and that they must be expressed in such a way as to be consistent with the ethnomethodological base of the research, namely, they had to linguistically and socially specify actions which indicated groups of resources upon which the participants drew as their conversational interactions proceeded on a moment-by-moment basis.

About the 'Rivertown' rural community

The community which formed the basis of the case study is here called Rivertown, a township typical of many in modern day rural Australia: it is small - its population is around 2500 with a further 2500 in the surrounding district. It has high unemployment, particularly high youth unemployment, it is suffering resource shrinkage as banks and government outlets close regional facilities, it has had its share of trouble in obtaining medical practitioners and allied health services from time to time, and it has had until recently a long history of divisive and bitter community conflict arising from the differences between the newly arrived 'hippies' and the long-time traditional residents.

On the other hand, Rivertown differs dramatically from other communities with similar characteristics. The township, as the focus of the surrounding

community, is set in a picturesque river valley, and is described as an historical village. The township itself is attractive. It is clear that the town is cared for in the physical sense. There are many community activities and events, some of which attract national attention and patronage, and the local clubs and associations meet frequently and actively. The community is vibrant - art and craft have become a community impetus. It is also recent winner of a prestigious national community award, various tourism and numerous Tidy Town awards.

Rural community members describe their community's success as resulting from 'teamwork', 'working together', 'support for each other', 'everybody pulls together', 'co-operation between everyone', 'all walks of life working together', 'people band together...on a project', 'spirit', 'friendly', 'grassroots community action' (Voss, 1997, p. 7), 'pride' (Editor, 1997: 8), and:

> What has been our strength is we've brought different lifestyles, different ideas and different views together and moulded them into this community outlook. (Voss, 1997, p. 7)

It can be surmised that Rivertown has been engaged in constant learning and the resulting accumulation of social capital. Its members seem to have learned that there are benefits from working together in differently-coupled networks for common purposes. Its residents have learned to share implicitly or explicitly certain values - the foundation of social norms, and to trust one another in certain circumstances in order to achieve common purposes.

The first assumption to be tested is that social capital is the group of resources accumulated through interactions viewed as learning processes. Necessarily, the project looks at learning processes and learning outcomes as contributing to that accumulation; at the individuals learning and the results of that learning. It also looks at the way the various individuals, groups, clubs and associations work and learn together (e.g., small business with schools and community groups and government, the Bowls Club with the Hospital Auxiliary with the Rotary Club with the craft club with the church group). In short, we are looking at what might be called a 'learning community' (e.g., Brooks & Moore 1997; Falk 1998a & b; Falk and Harrison 1998b; Kilpatrick 1996; Kilpatrick et al. 1999).

Defining the boundaries of the community

In the initial stages of this project it was judged important to select a sample from the community that represented the key diverse segments of the community. The next stage was to locate a demographic representation within the geographic community. To ensure a reliable community cross-representation it was important to include other than obvious local leadership indicators commonly known as the 'movers and shakers' and to locate the 'quiet achievers'. Our concern for canvassing a community-elected sample hinged on the notion of who the community saw as their effective leaders, a concern expressed by Langone and Rohs (1995):

> In the community environment, leadership is often a function of concerned citizens rather than action by positional leaders. The notion of egalitarian or 'reciprocal' leadership...is critical in communities because one person does not control a group

> Leadership is shared by many individuals at various time depending on the situation and the required leadership skills (p. 253).

How the sample was selected

The sample was identified through a purposeful technique checked with socio-demographic variables. Such sampling is commonly used in qualitative field research (Rubin and Babbie 1993). A social network map of the community was prepared from the local Services Directory. The network map typically covers such variables as key interest groups, demographics, small business, social services, schools, government offices, religious groups and so on. The selection process was implemented by telephoning the first contact of the target population and asking for a further three names of people they respected. In this case the criteria for selection hinged on the questions 'to whom do you usually go for information' and 'who do you consider approachable'? These nominated people were contacted by telephone and asked the same two questions. Often members of the community are nominated several times by different groups.

People nominated more than three times were set aside as the community elected sample and were subsequently approached to participate in the semi-structured interview, tape recording and diary collection. The community members most identified as interacting with different group affiliations and interests were then collated as a socio matrix to reveal the networks in which they are involved, and the community interactivity in which they participate (Judd, Smith & Kidder 1991). A socio-demographic checklist was then applied to ensure all minority or fringe groups were represented. As a result of this process, an additional participant was purposefully included from the school-aged 'youth' sector.

Recording the interactivity

The communicative interactivity was recorded using three methods: (a) an interview, (b) audio-taping of spontaneous stretches of conversation and (c) self-maintained journal entries. After an initial semi-structured interview, selected participants were asked to carry a portable tape recorder with them for the duration of a day. They activated their tape recorders when they engaged in a communicative interaction. In addition, participants kept a diary on the communicative interactions of the week to determine the type of information exchange and network of information flow. Further, if formal meetings or group activities were scheduled for the participants during the 4 - 6 week time span, the researchers attended and recorded that communicative interactivity.

At the close of the data collection period the following data resulted:

Tape recorded interviews	n = 34	60 – 90 minutes
Personal individual tapes	n = 11	10 – 45 minutes
Personal diaries	n = 20	10 – 30 A5 pages
Tape recorded meetings	n = 10	10 – 30 minutes

Results

The purpose of the analysis of the two sections of transcripts which forms the results section is to examine the nature of interactions in a community with the outcome of deriving tentative indicators of the processes that build social capital. It is stressed that the indicators derived are seen as a starting point only, and that extensive testing and trialing will need to occur to stabilize the indicators. Bringing together the strands of the theoretical framework set out in the first section of the paper, the research question for the analysis, as previously stated is, *What is the nature of the interactive productivity between the local networks in a community?*

This question will be answered first, by a brief analysis of the nature of the interactions, and second, by an analysis to show the links between these micro social interactions and the macro social order. If social capital is the accumulation of micro social interactions which are in turn embedded in the macro social order, then these processes and connections should be able to be observed. Showing these links provides a conceptual means of separating the processes which produce (or build) social capital, and social capital itself.

First phase of analysis: What does the interactivity produce?

What is the role of informal learning in contributing to social capital? This first phase of the analysis focuses on qualitative and quantitative representations of the relationship between learning and social capital. It describes a segment of the whole-community data by comparing segments with eleven criteria of community learning forwarded by Brooks and Moore (1997).

In examining the interactive processes that occur in this rural community, we were struck by the fact that a great deal of learning was occurring, yet it went largely unrecognised. People's views on learning as expressed in the data were formed by their own experiences with learning in formal settings, usually school. The 'informal learning' that they engaged in every day was not at first recognised as learning. This informal learning plays, as we discovered, an important part in the lives of the individuals and the community. People attend meetings, go to clubs to learn skills and knowledge, use the internet to find

things out, ask specialists in the community for information and contacts they need - and so on. We came to call this productive interactivity 'learning', since this is what was indeed occurring. At first, the researchers were tempted to call interactivity which did not at first result in observable learning 'idle chatter' or 'gossip'. Yet the report on the nature of interactivity which follows shows that much of so-called 'chat' serves crucial social purposes which have the net result of contributing to the community's advancement.

Two sections of transcripts are discussed. The first transcript is of the conversational interactions during the gathering of the Craft Club. Even though the time spanned by this data is only an hour or so out of one day, it nevertheless illuminates the complexities and interactions between the networks of associations and clubs in a whole community. A sample of transcript helps illustrate this point:

145 And how many is in the Hospital Auxiliary now?

146 We've got 14 active members.

147 It's just the same as everything else you know these days, and new groups start up.

148 Yes.

149 And they [old groups such as the Country Womens Association - CWA] lose a lot; the CWA would have catered for all these groups once, like learning things, but now with the [Craft Club] it's coming that way, isn't it?

.....

153 There is a large lot here, so what are they all doing now?

154 Oh well, this lot are doing their hitch patchwork quilts and the next lot are doing ribbon embroidery.

155 Oh yes.

156 And this one is doing hexagonal patchwork...

In conversation analysis terms, a 'turn' is one participant's spoken words taken at one time. The significance of interaction lies in the *couplets* of turns, called 'adjacency pairs'. An adjacency pair is a reciprocating couplet of conversational moves where one 'turn' in the pair is taken by each participant. For example, turns 145 and 146 form an adjacency pair, because the question asked in 145 is heard as requiring a response - the answer given in 146. The question/answer pattern of adjacency pair is a common one. The pattern can be seen to be repeated through the segment presented above.

The construction of the meaning during these 9 turns of conversation depends on both participants knowing the networks referred to, knowing their history, knowing how they relate then and now, understanding the way complex and important social and collective tasks are still accomplished through replacing old with new. In addition, the relationship between old networks and new

occurs in the transition between turns 149 to 150, as the acceptance that the Craft Club is the 'new' Country Womens Association (CWA).

The second transcript, not reproduced here for reasons of space, is a transcript of talk that takes place in a rural doctor's waiting room between two community members, a general practitioner's nurse and a female patient who is regarded as a mainstay of the local community. The transcript is analysed for frequency of mention in eight categories of social activity. In the 138th turn of conversation between the two participants, are these words: 'Oh, we're just having a little chat'. The words are spoken as a kind of excuse to the male doctor, who has just entered the surgery. Most remarkable of all is that the 'little chat', in a few short turns of conversation, has acted as a device for demonstrating how social capital may be simultaneously used and built as the talk constructs and sustains the community. In the 138 turns of conversation (a mere 69 pairs of talk), there are the following frequencies of mention in the eight reported categories:

Social activity	**Frequency of mentions**
Institutions, associations, clubs and networks	4
Club/community activities/events	5
Individual skills, roles, achievements, things learnt	11
Key shared values expressed	6
Outside influences	2
Social issues	2
Personal events	4
Reminiscences, rememberings: Knitting the past and present	3
Total	**37**

The value of conversation analysis informed by ethnomethodology is revealed in this overview of conversational turns. In the present transcript of 138 turns there are 69 adjacency pairs. In these 69 pairs are embedded 37 references to the social activities that represent the community to these participants. The sample presents a snapshot of the complexity of interaction and its outcomes in a community, yet are diminished by the participants on the entry of the male doctor as simply '... having a little chat'.

Second phase of analysis: Indicators of the processes that build social capital

The second analysis reports on the tentative indicators of the social processes that produce (what might be called) social capital. The indicators which result from the analysed transcriptions of the data are developed using the guidelines and format suggested in Babbie (1998) and are summarised below. Consistent with the theoretical and conceptual design of the study in relating the question of 'resources' to the question of what is the nature of the interactive productivity between the local networks, the indicators are grouped under two main headings: Knowledge resources and Identity resources. These two different resource categories are those upon which people draw as they make the sense which is common between them. They are:

1. ***Knowledge resources***—*where the interactions draw on the resource of common understandings related to knowledge of community, personal, individual and collective information which is drawn from sources internal and external to the community*

Includes knowledge of:

- the skills, knowledge and affective attributes including values of others in the community: note historical as well as present dimension to this;

- the common physical resources of the community including aspects of place, formal and informal networks, procedures, rules and precedents, internal and external resources and sources of information.

Knowledge resources both create and use knowledge. Frequency (quantity) of interaction seems to be important for building and using social capital, and qualitative elements of interactions, such as historicity, externality, reciprocity, trust, and the importance of at least some jointly shared norms/values, all show up in the data. In the following data sample, the significance of knowledge is perhaps the most obvious feature:

> ... so they know if I say I will do this for you, I will do it, and the same with them, if they have that I am interested in they will bring it in for me to read or they want to show me something... I know they will do it, so that's good, and that feeling of trust is very necessary in order to get on in life anywhere, whether you're in business or otherwise.

Knowing underpins the reciprocity which is then refined by qualitative dimensions: 'I will do this for you ... and the same with them'. The element of knowing in relation to trust and commitment is evident as well: 'I know they will do it ... that feeling of trust'. Evidence of the role of shared values or norms is also shown in their mutual interest in something 'for me to read or they want to show me something'. The way that knowledge about these various activities mutually shapes identities is also indicated in: 'I know they will do it' which here is the identity facet of trustworthiness.

The qualitative dimensions of externality, historicity (and futuricity, though this is not the focus of this section) permeate the data. The importance of external interactions has been an important piece of sociological from Stack's

(1974) work showing how the lack of ties to sources outside the community results in restricted (among other things) knowledge of employment opportunities. The dimension of historicity and futuricity as they are used to envisage the future while drawing on historical exemplars in decision-making and sense-making seems to be largely underplayed in other literature, yet the use of historical memories of places, people (their skills and personality characteristics), and common resources are the key knowledge resources drawn on in the learning processes documented. For example, woven through a 350 word diary entry of one participant are 11 recent-history cross-network events either attended or mentioned as being involved in. Knowledge of these histories is demonstrably used in making decisions about future courses of action. Historical knowledge also enables new knowledge to be contextualized and applied. Another community member noted that 'years and years and years ago' his father lost a job because of a relationship with a black woman. Now, however, the '...community is much stronger and much more cohesive...than it was 20-25 years ago'.

2. ***Identity resources***—*where the interactions draw on internal and external resources of common understandings related to personal, individual and collective identities. Identity resources build a sense of 'belonging' and encourage participation, as well as providing the framework for people to re-orient their views of self and others in order to be 'willing to act' in new ways*

Includes the role of interactions in:

- producing and reproducing identities of self, others and place as a product of various knowledges, skills, values and collective resources;
- shaping and shifting identity-formation in such a way that facilitates people's agency, willingness or capacity to act for the benefit of the community, and in new and different roles than their previous perceptions of self allowed.

Identity resources are drawn on during interactions whose outcomes display a change in a person's agency. In the example below, the last two turns are separated by 10 turns from the first, an edit whose purpose is to show the qualitative dimension of externalities (the trip to Sydney) at work on shaping identities of self with agency: 'I'm not coming next time because', and community: '... it's been really good' for the people from the State of origin, not just the local community:

279 I'm not coming next time because I'm getting ready for the Craft Fair...

288 ... someone told me you went to Sydney ...

289 Yes, I went to the Premier Bear Affair which is held every year in Sydney and they had a huge competition there, which I must add that [people from our State] did exceptionally well in...they did exceptionally well, so you know it's been really good for the [people from our State].

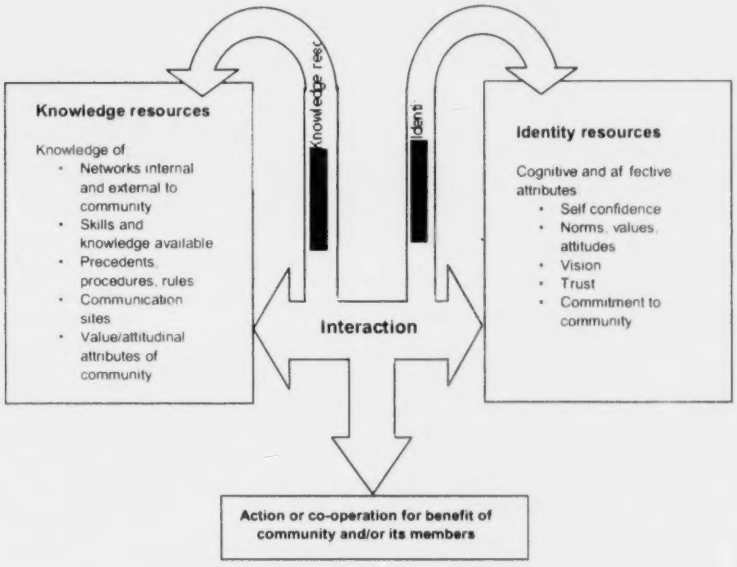
Discussion

This section draws together the elements from the results above which relate to the building and nature of social capital. It finishes by setting out some issues which are still to be reconciled through further research.

What can we say about the nature of the individual interactions and their relationship to social capital?

It is fair to claim that there are two groups of resources which are drawn on in specific interactions as social actors simultaneously use and build social capital: knowledge resources and identity resources. The relationship of knowledge and identity resources to the use and building of social capital can be portrayed as follows:

Figure 1: Simultaneous building and using of social capital



What can we say about the quality and quantity of the interactions?

Social capital, then, *may* result from interactions which draw on knowledge and identity resources. Social capital is simultaneously used and built, and the interactions in which this occurs are the only possible occasions when the use and building *can* occur, as social capital cannot just spring from thin air, as many broader social analyses might imply.

As discussed earlier, social interaction might result in positive, negative or neutral outcomes. We suggest that whether or not social capital is built depends on the issue of quality and quantity of interactions. In some cases, it

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can be said that social capital is dependent on the existence of numbers of meaningful interactions. Given that social capital can only be built in actual interactions (remembering these need not be just face-to-face), then a precondition to building social capital is the existence of *sufficient numbers* of interactions *of a particular quality*. Both quantity and quality of interactions therefore have a role in the development of social capital.

Quantity

Unless interaction occurs social capital cannot be built. While the research reported here does not provide a warrant for surmising about the relative importance of the differing frequencies and intensities of interactions in building and maintaining stores of social capital, it can be hypothesized that as the frequency and intensity drops, the stores of social capital may fall. This is consistent with Coleman's claims about the creation, maintenance and destruction of social capital through 'closure' (1990:318) and 'stability' (1990:320). An important requirement for the building of social capital is therefore the existence of sufficient *opportunities* for the kinds of social interaction which have the potential to create it.

Quality

Frequent hostile or derogatory interactions between people will discourage the production of social capital. Analyses suggest that there are generic groupings of particular qualities of interactions that can be raised for further discussion and testing. From the synthesized results it is proposed that the qualitative dimensions of interactions which are important are:

1. The quality of knowledge resources drawn upon in interactions and the degree of sharing of knowledge resources which takes place in interactions. Is there sufficient of the required kinds of knowledge about others, the common resources and information available to allow productive interactivity? Who knows what about whom and what? What is the contribution of external versus internal knowledge? How much do community members foster each others' learning by sharing knowledge resources?

2. The quality of identity resources drawn upon in interactions and the degree to which community members build each others' self confidence and esteem or encourage positive identity shifts in each other during interactions. This can be observed in reciprocity of the social relations, norms obligations, differing roles and relations, expectations, shared purposes and values; extent to which shared visions (futuricity) reconcile historical experience;

3. There is no evidence from the analyses in this paper to support the macro views about trust described by either Coleman, Kramer et al or Fukuyama, all of whom describe different and not mutually reconciled frameworks for explaining the nature and role of trust. But there is evidence to support the Garfinkel view that basic social interactions depend on trust. This is not to say as yet that trust does not exist in macro and measurable forms, simply to say that our study did not find it. In our micro analyses, it would appear

that trust *per se* is evident as it is embedded in specific and situated instances or cases, where in the other literature is seems to be a general classification term for more visible elements of social cohesion and reciprocity. This finding about the situated nature of trust has sparked another research project, which develops a trialed Profile of Community Trust (Falk and Guenther, 1999) based on a three-tiered analysis of micro, meso and macro indicators. Preliminary results confirm that sense is best made of trust as a situated concept, where specific socio-cultural and economic circumstances are drawn on in specific situations to produce greater or lesser levels of the identified dimensions of trust.

The macro/micro problem revisited

Portes (1998:7) explains how, 'social capital inheres in the structure of [people's] relationships', while Woolcock (1998:185) concludes with more specificity that the better approach to understanding and employing social capital is 'a socio-structural explanation of economic life and seeks to identify the types and combinations of social relations involved'. As we see it, building stores of social capital can only originate in local interactions. Macro social analyses are important, but limited by the extent and veracity of the 'reality checks' employed to triangulate their results. This suggests the limits of any macro analysis unless it connects directly with grounded micro-to-meso analyses of a compatible and rigorous kind.

The previous point demonstrates the need for a careful and systematic development of a research agenda which, it is suggested, should use the often lengthy processes of theory-building and micro analyses of various kinds to develop and trial ideas, as well as employ more conventional macro and quantitative procedures to test out and integrate the grounded theory so developed. This needs to be complemented by well-established discursive and socio-linguistic analyses to cross-check results, and to highlight the actual social mechanisms which produce the changes through local interactions and their accumulation.

Community

There is a great deal of emotive rhetoric about communities and the so-called 'loss of community'. The nature of communities has changed and been extended to the point where communities now qualitatively differ in significant ways from the traditional locale-based notion of a community. However, using the idea of 'communities of practice' (Lave and Wenger 1991), it is easy to see how the same characteristics of communities may exist whether these are communities of (a) place/locale, (b) organisational/corporate, (c) professional or other interest group, or (d) electronic. We put forward the term 'community-of-common-purpose' to describe this kind of contemporary community of people, noting as we do that people may have multiple memberships of such communities-of-common-purpose, and that the life of the communities tends to be variable and defined by its purpose.

A new definition of social capital

Woolcock (1998:185) concludes that, 'definitions of social capital should focus primarily on its sources rather than its consequences'. Portes (1998:13) describes the problem of positive and negative consequences of social capital which is a problem inherent in its definition. In attempting to address these conclusions, while taking account of the definitions of Coleman, Putnam and on the research outcomes presented above, a new definition of social capital is forwarded:

> Social capital is the product of social interactions with the potential to contribute to the social, civic or economic well-being of a community-of-common-purpose. The interactions draw on knowledge and identity resources and simultaneously use and build stores of social capital. The nature of the social capital depends on various qualitative dimensions of the interactions in which it is produced, such as the quality of the internal-external interactions, the historicity, futuricity, reciprocity, trust and the shared values and norms.

Social capital is produced and used in everyday interactions. The interactions only make sense in the framework of a set of purposeful community activities. The knowledge and identity resources, of which the social capital is comprised, help the community undertake the identified activities.

Conclusions

The paper has sought to explain, by reference to two related analyses, the role of interactive processes in potentially building community social capital. These interactive processes are shown to simultaneously build and use social capital as they drawn on knowledge and identity resources. The links between the micro social processes and social, civic and economic features of the macro social order are described.

At the same moment that these interactive opportunities *draw on* (rely on, depend on, cannot succeed without) these knowledge and identity resources, they produce the expectation that the counter-move in the interaction will be reciprocated. This process, fully theorised through the literature (Heritage 1984), documents the point-of-production of interactive expectation, simultaneously with the use of knowledge and identity resources based on the categories of meaning from the broader social order. A category attribute analysis can then be used to identify those meaning-making characteristics. The micro-level interactive outcomes can then be traced in the indicators as clusters of meaningful social activities. In turn, these activities have the potential to be evaluated for their effectiveness in sourcing social, civic and economic well-being and the sustainability issues which ensue.

In short, we argue that the integrated conceptual, theoretical and analytic approach outlined in this paper has the demonstrated capacity to address Woolcock's (1998:167) call for 'a broader and more dynamic model encompassing both [ethnic entrepreneurship and comparative institutional] domains'.

Four conclusions are claimed:

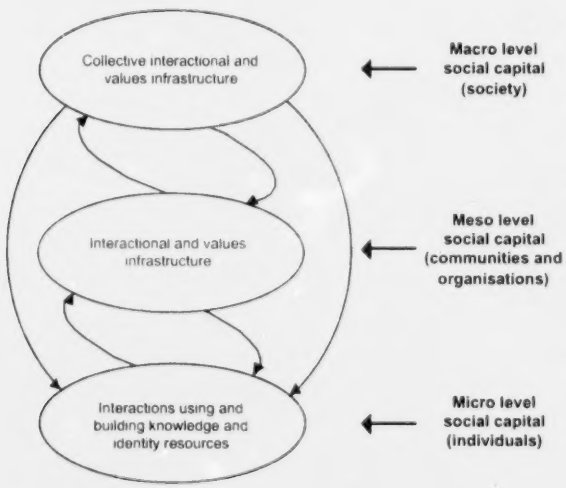
1. Trust is situated

It is suggested that trust is only understandable in its socio-cultural situation. Trust inheres in the situated, observable and accountable reciprocity of every micro interaction. The research documents the fundamental nature and role of trust in building social capital. When local interactions between community members, visible in the conversational interactivity, are closely analysed, the fundamental nature of trust is revealed as the observable and accountable reciprocity of each interaction. As seen in the mechanism of adjacency pairs, trust is the foundation that social participants depend on in the production of meaningful communication. The communication produces and reproduces the social order. The micro social interactions are thus linked with the macro social order. The reciprocal adjacency of these pairs of conversational couplets binds the participants to expectations of social accountability which depends for its successful execution on trust. These mutual expectations are the social glue which binds many small, rural communities together. It also helps them accept and manage change.

2. Community interactivity connects with social, civic and economic outcomes

Micro interactive processes have the capacity to link with meso and macro social, civic and economic outcomes. Here we present a possible visual way of conceiving of the links between micro interactions, the meso, or community/organisation, and the macro levels of social capital.

Figure 2: Societal and community level social capital resources sustained by interpersonal interactions


Collective interactional and values infrastructure
Macro level social capital (society)
Interactional and values infrastructure
Meso level social capital (communities and organisations)
Interactions using and building knowledge and identity resources
Micro level social capital (individuals)

Meso level groups such as the community association reported on in this study teach their members and support their application of their skills and knowledge in community displays, exhibitions, events, festivals and fairs. The capacity demonstrated by the links between these activities and gainful employment in small and big business is observable in the data. The analysis

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shows how local interactions can affect meso and macro social, civic and economic outcomes, by providing the learning which facilitates people's later involvement in volunteer work, civic roles, small business, or their expansion of existing business. At a micro level the capacity of the community is evident as it assembles individuals' skills, knowledge and values within its collective framework to produce collective connections of an economic nature. The economic dimension is evidenced in the revenue raised through the sale and display of artefacts at the craft fair, local horticultural show and tourism shops. The artefacts act as a drawcard to those attending the cultural events and the tourist venues. Most of the rewards are injected back into the local environment through recognition of the individual players, and sponsorship of community projects. By doing so, the 'stewardship' of natural resources and the cultural way of life is sustaining the community. Outsiders actively seek to live in this community which they see as desirable.

The outcome of the learning is one of mutual benefit. Through the group's behaviour and practices the community has benefited not only through individual stimulation, interest and social means of verifying identity, but also through outcomes for the well-being or sustainability of the community. The informal learning which takes place as community projects are planned and implemented gives this community the capacity to survive in the harsh economic climate facing rural Australia in the late 1990s.

3. Provision of opportunities

Social capital cannot be built unless opportunities for this to occur exist, or are provided. It seems an obvious point, yet the significance of it in times where policy performance is measured by outcomes, rather than process, must not be lost. The provision of opportunities for interactions of the necessary quality to occur implicates an attention to collective processes for communities-of-common-purpose that is often ignored. This finding has important implications for assisting the identification of collective and consensual strategic directions, and has the potential in assisting to alleviate the problems of rural areas associated with the reduction of population bases (especially the drain of youth), reduced numbers of community organisations and volunteers and reduced services infrastructure.

4. Role of historicity and futuricity in the transmission of skills, knowledge and values

Historicity and futuricity are shown to have a fundamental role in the processes that transmit social and cultural norms. The study makes clear how past learning needs to be reconciled with the present, in the context of the knoweldhe and identity resource of a future gaze or 'vision', and that the results of that reconciliation need to be passed on to the next generation. Historical instances are constantly cited by participants, then integrated in an ongoing meaning-making process which simultaneously reconciles past, present and future while demonstrating the chronological historical-futuricity dimension as *an integral part of the context* of learning. Historical rememberances are compared and contrasted with the circumstances of the present and a vision of the future, and these views are in turn reconstrued as new knowledge and identity resources for action. Learning in a social context is rarely if ever identified as having the chronological dimension that is

established in this study. In the adult learning literature, it is encapsulated at 'prior experience' (Foley 1995), valued but not articulated. It is already known that memories change over time, which affects the perceptions we have of present issues. However, since we all remember events and impressions from close or far chronological distance, it is crucial for us to understand the role chronology appears to play in cultural transmission. Part of that cultural transmission is of skills and knowledge, from which subsequent generations' futures are formed.

Further research

There are many questions arising from the research which need to be posed and addressed in further research, and these include:

1. A great deal more research needs to be done on the nature or quality of the interactions that build and use social capital. Interactions occur in many forms or channels or modes - spoken, written, verbal and non-verbal and any and all channels can generate social capital. But of what kind? Is, for example, learning through electronic networking sufficient without recourse to other forms of interaction?

2. What factors encourage the building of social capital?

3. How does the existing understanding of social capital marginalise (or not) minority groups, or is it a positive step in their inclusions in dominant group social processes, and what does this do to the meaning of social capital?

4. What features of the model developed so far may be indeed culturally specific, or not, and what does this say about the nature of social capital?

In view of the confusions and unresolved difficulties about aspects of social capital, a multi-disciplinary approach in analysing communities-as-social-ecologies is suggested as appropriate. This approach would allow the whole as well as the parts to be analysed. By definition, this results in an integrated approach to research assumptions. There should be provision for systematic and rigorous theory-building as well as theory-testing research. In fact, a research framework planned around theory-building and theory-testing is a more useful framework for planning research than the old, artificial qualitative-quantitative dichotomy. It requires us to ask what should be and what needs to be as well as document what is.

In spite of the new definition forwarded in this paper, further debate about definition is called for. It was earlier noted that Portes (1998:12) identifies four negative consequences of social capital, the first of which is the 'exclusion of outsiders'. In addition to the significance of the dimension of historicity, our research has identified 'externality' as crucial for developing the positive kinds of interactions that tend to feed the common good. In this case, external interaction is vital to the process, and forms part of our definition of social capital. In terms of definition then, we are suggesting that there are benefits of clarity and analysis in adopting a definition which defined social capital as

being only those results of interaction which enhance well-being. This point is embraced by our new definition. The additional benefit of this approach is that the qualitative dimensions (externality, historicity, interactive opportunities and purposefulness) can now be the focus of further research and practice activity, and a clear set of criteria can be established. These criteria then form the basis for establishing coherent measures of social capital.

Finally, it seems to us that the present political demand for social capital information is running faster than the research which might ethically inform it, and there is indeed a caution in this scenario. It is one area in which a partnership between social and political elements of the overall socio-political ecology may prove useful and informative for all parties.

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